

DENVER ROCKY MOUNTAIN NEWS (CO)
27 March 1983

STATINTL

Ex-CIA official Inman will speak in Denver

Adm. Bobby R. Inman, who resigned last year as deputy director of the CIA, will address the April luncheon of the Rocky Mountain Chapter of the Association of Former Intelligence Officers.

Inman — who also has been director of the National Security Agency — was a consultant to the House Permanent Select Committee on Intelligence.

The luncheon at Stouffer's Denver Inn, 3203 Quebec St., will be April 13. A social hour will be from noon to 1 p.m. Lunch will be served from 1 to 2:30 p.m.

Tickets will cost \$11 a person and reservations must be made by April 8.

For more information, write to the association at P.O. Box 38325, Colorado Springs, 80937, or call 579-0483 and 795-1545.

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NEW YORK TIMES
8 MARCH 1983

Inman's 2d Career: Tackling Japanese Technology

By ROBERT D. HERSHEY Jr.

Special to The New York Times

WASHINGTON, March 7 — When Bobby Ray Inman resigned last spring as deputy director of the Central Intelligence Agency, he said it was because he had lost his "zest" for bureaucratic infighting after 30 years on the Government payroll.

Six months later, when the Texas-born Admiral Inman abruptly quit as a part-time adviser to the House Intelligence Committee because he had not been consulted about the publication of what he regarded as a partisan study of intelligence activities in Central America, it looked like the final protest of a man who had promised never again to be caught up in the kind of petty rivalries that seem to bloom so readily in Washington.

"There were times," he recalled, "when one could think that the enemy was not the Soviets, the Koreans or the Chinese but the Army, the Air Force, the Marines or the other intelligence agencies."

Admiral Inman, widely esteemed and at last free to pursue the second career he had long contemplated, looked at numerous inviting offers. Academia beckoned as did investment banking and some major construction firms.

Big Business Rivalries

But the 51-year-old Admiral Inman, in his metamorphosis from the very model of an electronic-age Government superspy, has chosen instead to head a new kind of American business enterprise, a company founded on the belief that intense competitors like Honeywell, Control Data and Sperry can be persuaded to work together to meet the technological challenge of Japan.

Some think it can't be done, that the rivalries of Government will pale in comparison to those of big business when the gloves come off and it's time for the individual partners to contribute jointly to an effort that may help a competitor make millions.

The venture is called the Microelectronics and Computer Technology Corporation, or M.C.C., a company formed

nology companies galvanized by the way the Japanese have mobilized to challenge America's traditional supremacy in areas such as semiconductors and computers. There is a major effort in Japan to build a computer that is far faster than anything on American drawing boards and that would make major strides in "artificial" intelligence simulating the human brain.

"Unless you stay ahead," said Erich Bloch, chairman of the Semiconductor Research Cooperative, an I.B.M.-inspired effort that is the only United States project resembling M.C.C., "you're going to lose the ball game."

M.C.C. is the brainchild of William C. Norris, the innovative chairman of the Minneapolis-based Control Data Corporation, an archival of I.B.M. and a specialist in very large computers. Admiral Inman said Mr. Norris established M.C.C. after visiting Japan two years ago and concluding that American business had to do something out of the ordinary to meet the Japanese challenge.

Sensitive Work in Government

In going to work for the new corporation, Admiral Inman said he was worried from the outset about special problems he would face, including those raised by his many years of sensitive work in Government. His public career was climaxed by a four-year stint as head of the National Security Agency, a worldwide cryptographic and eavesdropping operation employing tens of thousands, but so secret that for many years its existence was not officially acknowledged. At the N.S.A. Admiral Inman had access to more raw intelligence than anyone in Washington.

Unlike many former Government officials and military officers, Admiral Inman did not consider any of the many offers that would have required contact with former associates. "I simply decided I was not going to go back and deal with people in a business way who were in any way indebted to me for their promotions," he said.

cept grants if the Government wants to accelerate work in some promising area of research.

"Contracts carry strings," said Admiral Inman. "Grants by and large do not."

Then there was the hazard of the antitrust laws, which are designed to prevent the price-fixing and market-sharing arrangements that can occur when competitors meet in private. Admiral Inman, who eventually hired his own antitrust lawyer, concluded that the venture would not subject him and other participants to criminal antitrust violations and that they would simply have to take their chances with the more worrisome private suits that could result in fines for triple damages.

The Justice Department, which had been told about M.C.C., did not object in principle to its formation, but said it would monitor the specific research projects in the company's four areas of interest — advanced computer design, computer software technology, integrated circuit packaging and CAD-CAM, or computer-assisted design, computer-assisted manufacture.

Each of the dozen or more M.C.C. partners contributes only \$150,000 in capital, the main expense being the several million dollars that will be needed for the minimum commitment — participation in one major project for at least three years.

A Matter of Equal Access

Although it will hold patents and license production, M.C.C. will market no products of its own. This will be left to the companies sponsoring that particular research and it's here that Admiral Inman faces one of his most delicate tasks — making sure that sponsors enjoy equal access to the rewards.

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Interview

ADMIRAL INMAN

ON THE KGB & THE U.S. MEDIA

America's recently retired and most revered intelligence officer: "The media is vulnerable and likely to be targeted (by the KGB) as a way to flow disinformation... The Washington Post, as well as much of television, tends to look at everything our government does with suspicion... The KGB would be stupid to try to improve on that!"

By Lester Kinsolving
National Editor
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The Washington Guide

When Admiral Bobby Inman recently retired as Deputy Director of the CIA, there were many in Congress and in the intelligence community who felt that America was losing its best intelligence officer.

Inman is a graduate of the University of Texas and of Navy officers candidate and intelligence postgraduate schools. At age 44, he was appointed director of Naval Intelligence. Two years later, in 1976, he was named by President Ford to head the Defense Intelligence Agency, and in 1977 he was appointed head of the National Security Agency by President Carter.

The incoming Reagan Administration asked Inman to serve as William Casey's Deputy Director of the CIA.

The admiral has a wide reputation for innovation and incisiveness. As an interviewee, he is a joy; thoroughly hospitable and utterly congenial there in his Arlington apartment; never at a loss for very carefully selected and rapidly delivered words; wonderfully good-humored with a great, toothy grin; a candor as refreshing as it is unusual in such rarified circles. After preliminary remarks about his own past and future, Washington Guide asked: "To go back to the realm of intelligence during World War II, the late historian Ladadas Farago, who was Gen. Patton's biographer, in his

book about the Abwehr. (Nazi German Intelligence) writes that it was not until 1967 -- and by accident -- that he discovered 17,000 rolls of microfilm, with 18 million pages of Abwehr records. Do you believe this is accurate?

ADM. INMAN: It could well be. There's a great tendency when you're scooping up things at the end of the war, to take all the archives. But the manpower to go back and sort all that is often hard to come by. And so you grab anything you can get your hands on for potential source material, but it's a long process in getting around to sorting through.

WASHINGTON GUIDE: Do you believe that the U.S. and other intelligence agencies were well aware of the extent of Abwehr penetration of the United States Government, which Farago quoted from these Abwehr records? Or did this come as something of a surprise in 1967?

ADM. INMAN: I have no direct familiarity with the incident you're describing. But I would say two things: One, if in fact it was valid and they were records that were examined, I would suspect they were surprised at the extent of penetration. Counterespionage is one of the toughest problems that you have in government. It's one in which I have very little direct experience, because I've usually been off in other parts of the business. I was in the espionage side always, rather than counterespionage.

WASHINGTON GUIDE: By 1967, the U.S. had experienced two more wars and Nazi Germany was long dead. Would you imagine that this may be the reason why most Americans today are not aware of the extent of Abwehr penetration of our government?

ADM. INMAN: This country, unhappily, has a short memory span. We have no great attachment to history. We don't study it in great detail. And I would say, harshly, that I don't think we learn the lessons of history. As a standard, public attention tends to linger for a week or two weeks; sometimes at the outset, a few months. Vietnam was clearly such a searing experience that memories of it, perceptions of it, have lingered a long time. The same for Watergate. But those are exceptions. Those are not the rule. And for most problems -- McCarthyism as a problem lingers and is talked about. But the actual details are lost to most Americans.

WASHINGTON GUIDE: The most shocking aspects of Farago's report are six instances of Abwehr penetration, which I think most people are unaware of, and which I'd just like to run by you, very quickly, in case you have reason to believe any of these things are false:

1) The Abwehr was getting first hand reports of such secret things as the Atlantic Charter meeting between Roosevelt and Churchill; as well as a detailed report on President Roosevelt's December 8th top-secret Pearl Harbor damage report. And these things were sent to Switzerland, by Vice President Henry Wallace's brother-in-law, Switzerland's ambassador to Washington, whom Wallace trusted. But the Abwehr had penetrated Swiss intelligence. Are you familiar with this?

ADM. INMAN: I'm not. But again, I'm not surprised.

WASHINGTON GUIDE: 2) The Abwehr obtained copies of all secret

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